



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

LS/SRB:cch  
4660

OCT 08 1985

Ms. Susan Slyk Newton  
John Hancock Advisers, Inc.  
John Hancock Place  
P.O. Box 111  
Boston, MA 02117

Dear Ms. Newton:

This is in reply to your letter dated September 17, 1985, concerning the legality of Federal credit union ("FCU") investment in John Hancock U.S. Government Guaranteed Mortgages Trust, prospectus and Statement of Additional Information dated December 31, 1984.

Sections 107(7) and (8) of the Federal Credit Union Act (12 U.S.C. §§1757(7) and (8)) and Part 703 of the National Credit Union Administration Rules and Regulations (12 C.F.R. Part 703) (copies enclosed) are the pertinent provisions of law regulating FCU investments and deposits. Although not expressly stated in these provisions, we have previously opined that investments in mutual funds or trusts are permissible for FCU's if all of the investments and investment practices of the fund or trust are legal if made directly by an FCU.

The initial review of the prospectus with respect to the above cited statutory and regulatory provisions should be completed by you (or your legal counsel). If, during or after such review, an interpretation of the law is required, we are available to assist you.

If you desire an opinion from this Office that the investment is legal for FCU's, you must first provide us with a letter (preferably an opinion from legal counsel) which addresses the various aspects of the investment (e.g., referring to pages in the prospectus) and relates them to the requirements of the FCU Act and NCUA Rules and Regulations and a copy of the most recent prospectus. We will then concur with or state our reason for nonconcurrency with your opinion. However, we should stress that an opinion from this Office is not required before an FCU can make a particular investment.

FOIA Vol I Part E.2.



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

7

Lastly, for future reference, you may wish to call the NCUA Investment Hotline, (800) 424-3205, to determine whether or not a particular investment has previously been reviewed by the Agency.

I hope we have been of assistance.

Sincerely,

RS

STEVEN R. BISKER  
Assistant General Counsel

Enclosures